



**Michael J. McCabe**  
Senior Vice President  
and Chief Legal Officer

July 12, 2007

Honorable Maxine Waters  
Chairwoman, Financial Services Subcommittee on Housing and Community Opportunity  
United States House of Representatives  
2344 Rayburn House Office Building  
Washington, DC 20515

Honorable Judy Biggert  
Ranking Member, Financial Services Subcommittee on Housing and Community and Opportunity  
United States House of Representatives  
1034 Longworth House Office Building  
Washington, DC 20515

**Re: H.R. 920—Multiple Peril Insurance Act of 2007—Hearing before the Financial Services Subcommittee on Housing and Community and Opportunity, July 17, 2007**

Dear Chairwoman Waters and Ranking Member Biggert:

Hurricane Katrina was a horrific reminder of the threat we all face from natural catastrophes, and action is needed to better prepare and protect Americans before the next major hurricane hits our coast. Thank you for your leadership as Congress considers how to best accomplish this.

H.R. 920, the Multiple Peril Insurance Act of 2007, is intended to help prevent issues that coastal homeowners face when their homes are damaged by both wind and flood, and sufficient private or public insurance coverage is not available to cover both losses. This bill would add a new component to the National Flood Insurance Program, enabling consumers to purchase coverage for losses resulting from windstorm in addition to flood.

Rep. Gene Taylor has introduced this bill in recognition of the growing coastal homeowners insurance affordability and availability problem. Allstate agrees that the federal government certainly has a role in helping to solve this problem. We support the concepts contained in H.R. 920, if properly constructed and implemented, and respectfully offer some thoughts on how the bill might be revised in the attached document.

The private insurance mechanism is not well-suited to low frequency, high severity events. We need a better system in our country to deal with major events, one that would leverage a stronger public-private partnership as part of an integrated and comprehensive solution. Actuarially based and properly implemented solutions must be brought to bear to provide wind coverage in coastal areas. An important first step towards the right solution is acknowledging the federal government's critical role in either providing such coverage directly or through a backstop to the private

market for high severity natural catastrophes that are otherwise beyond the ability of the private insurance market to handle.

Thank you for your attention. Should you have any questions or should you or your staff wish to discuss further, please do not hesitate to contact me or our Washington representatives, Chuck Bruse (202.449.9268, [cbruse@allstate.com](mailto:cbruse@allstate.com)) or Dean Pappas (202.449.9265, [dean.pappas@allstate.com](mailto:dean.pappas@allstate.com)).

Sincerely yours,



Michael J. McCabe

Cc. Honorable Nydia M. Velazquez  
Honorable Julia M. Carson  
Honorable Stephen F. Lynch  
Honorable Emanuel Cleaver  
Honorable Al Green  
Honorable Wm. Lacy Clay  
Honorable Timothy Maloney  
Honorable Gwen S. Moore  
Honorable Albio Sires  
Honorable Keith M. Ellison  
Honorable Charlie Wilson  
Honorable Christopher S. Murphy  
Honorable Joe Donnelly  
Honorable Steve Pearce  
Honorable Peter King  
Honorable Paul E. Gillmor  
Honorable Christopher Shays  
Honorable Gary G. Miller  
Honorable Shelley Moore Capito  
Honorable Scott Garrett  
Honorable Randy Neugebauer  
Honorable Goeff Davis  
Honorable John Campbell  
Honorable Thaddeus McCotter  
Honorable Gene Taylor  
Honorable Bobby Jindal  
Honorable Richard Baker  
Honorable Charlie Melancon